

RSC Policy Brief:

The Budget Record of the Democrat Congress: \$10.5 Trillion Fiscal Deterioration

May 14, 2010

“No money shall be drawn from the treasury, but in consequence of appropriations made by law.”

-U.S. Constitution, Article I, Section 9, Clause 7

“House Republicans are now on the cusp of failing to meet the most basic responsibility of governing—enacting a budget.” –**Then Minority Whip Steny Hoyer (D-MD)**, 2006

“It’s difficult to pass budgets in election years because they reflect what the [fiscal] status is.”

-Majority Leader Steny Hoyer (D-MD), as quoted in [The Hill](#) 04/13/2010

January 2007 CBO Budget Forecast: In January 2007, control of the Congress passed to a Democrat majority. In that same month, the Congressional Budget Office (CBO), under new CBO Director Peter Orszag, published a ten-year forecast of the federal budget baseline (intended to reflect the budget outlook under current law). Highlights of this forecast:

- The budget outlook was projected to improve from a \$248 billion deficit in 2006 to a \$249 billion surplus by 2017.
- The federal government was projected to run *surpluses* in every year from 2012 to 2017.
- The total ten-year budget *surplus* was equal to \$800 billion.
- The public debt was projected to *decline* from 37.0% of GDP in 2006 to 20.1% of GDP in 2017.

January 2007 CBO Budget Outlook

(in billions of dollars)

Year	Deficit/Surplus	Deficit/Surplus % GDP	Public Debt % GDP
2007	-172	-1.3	36.6
2008	-98	-0.7	35.7
2009	-116	-0.8	34.8
2010	-137	-0.9	34.2
2011	-12	-0.1	32.8
2012	170	1.0	30.5
2013	159	0.9	28.3
2014	185	1.0	26.2
2015	208	1.1	24.0
2016	192	0.9	22.1
2017	249	1.2	20.1

March 2010 CBO Estimate of President’s Budget: In March 2010, CBO released an estimate of the President’s FY 2011 budget. The table below shows the difference between the projected \$800 billion surplus inherited by the Democrat Congress and: **1)** the actual deficits resulting from the budget policies of a Democrat-controlled Congress in FY 2008 and FY 2009 **2)** the projected deficits (as estimated by CBO) of the President’s FY 2011 budget for the years FY 2010-2017.

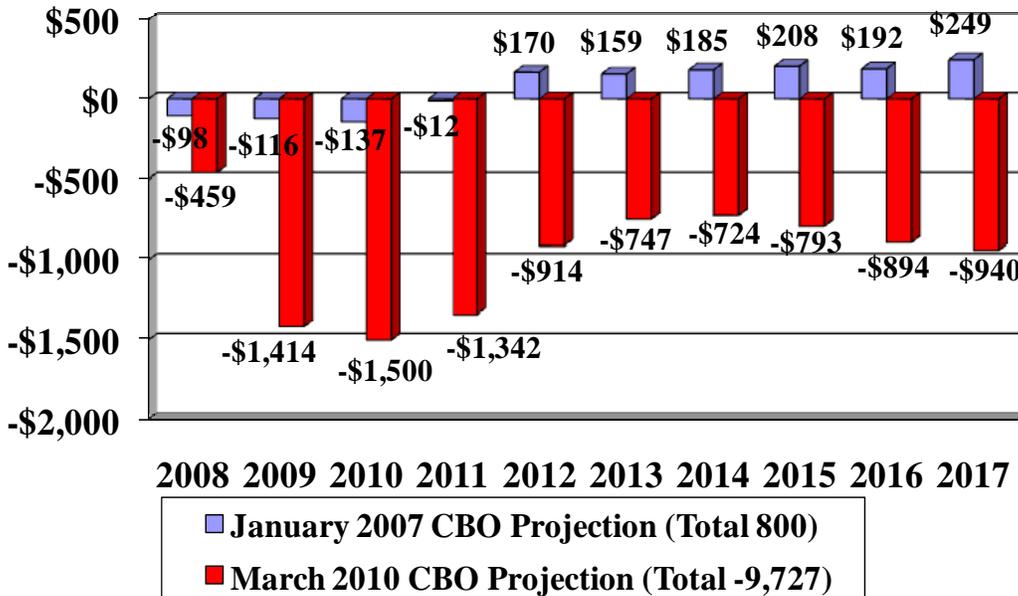
Comparison of CBO Budget Outlook 2007 to CBO Estimate of President's FY 2011 Budget
(in billions of dollars)

Year	Jan 2007 CBO Projection	Mar 2010 CBO Projection	Actual/Projected Deficit Increase
2008	-98	-459	361
2009	-116	-1,414	1,298
2010	-137	-1,500	1,363
2011	-12	-1,342	1,330
2012	170	-914	1,084
2013	159	-747	906
2014	185	-724	909
2015	208	-793	1,001
2016	192	-894	1,086
2017	249	-940	1,189
Total	800	-9,727	-10,527

Highlights of this deterioration of the nation's finances:

- The \$800 billion projected surplus has turned into a ten-year deficit of \$9.7 trillion.
- Instead of surpluses, the projected deficits in each year from FY 2008 to FY 2017 will exceed *any* deficit in any previous year in American history.
- Instead of being 20.1% of GDP in 2017, CBO projects the public debt will be 81.8% of GDP under the President's budget.

Comparison of Budget Outlook in Jan 2007 v. Mar 2010
(in billions of dollars)



Conclusion: In just over three years of Democrat control of the Congress, an \$800 billion projected surplus has turned into a projected deficit of more than \$9.7 trillion—a \$10.5 trillion worsening of the budget outlook covering just these ten years (or an average of more than \$1 trillion a year). Consequently, the publicly held debt, which in January 2007 CBO projected would *decline* to a fifth of the economy by 2017, is now projected to *increase* to more than four-fifths of the economy by 2017.